

SUMMARY REPORT

SOUTHWEST INDEPENDENT SCHOOL DISTRICT

SOUTHWEST INDEPENDENT SCHOOL DISTRICT MANAGEMENT AND PERFORMANCE REVIEW

Southwest Independent School District's (SWISD's) school review report noted 17 commendable practices and made 45 recommendations for improvement. The following is an Executive Summary of the significant accomplishments and findings that resulted from the review. A copy of the full report can be found at www.lbb.state.tx.us.

SIGNIFICANT ACCOMPLISHMENTS

- SWISD was successful in securing a federally funded grant to establish smaller learning communities as a means of addressing academic and other areas of deficiencies of high school students.
- The district has implemented a process for developing curriculum documents aligned with the statewide curriculum and local assessments to provide improved periodic measurement of student progress that meets professional standards.
- SWISD has effectively reduced construction planning costs, by implementing a prototype-building plan. Architectural fees have been reduced by 3.5 percent, or \$78,750, by using the plans from an initial elementary school project to construct similar facilities at other district locations.
- The Transportation Department uses all components of the computer routing system to schedule the three-tier bell schedule, creating efficient operations by minimizing fleet requirements, travel distances and wait times.

SIGNIFICANT FINDINGS

- The Southwest Enrichment Center has not successfully demonstrated achieving its stated goal of preventing students from dropping out of school. It costs almost twice as much to educate a student at the Southwest Enrichment Center, yet the services offered are also available at other campuses. The district's budget for operating the center for 2003-04 was \$13,680 for each of the 80 enrolled students compared to \$6,619 for all other students.
- SWISD does not follow its own staffing formulas and does not compare staffing needs to industry standards in its staffing plans; consequently, the district is overstaffed by five assistant principals, and 18.5 clerk/secretarial staff positions.
- The Child Nutrition Department staffing levels are not monitored or controlled based on Meals Per Labor Hour (MPLH) or other staffing standards. The district's meal equivalents served divided by total hours worked, compared to industry

standards indicates that SWISD is exceeding MPLH by 70.87 hours per day.

- Not all divisions in the district have comprehensive sets of manuals for conducting the operations of the district.
- SWISD's long-range planning process is not integrated with all other district instructional and operational plans.
- Campus and department staff do not have access to their financial data and are unable to get current budget and expenditure information from the district's accounting information system. Without direct access to the central computer system, efficient maintenance of current student activity funds and monitoring of budget activity is difficult.

SIGNIFICANT RECOMMENDATIONS

Recommendation: Close the Southwest

Enrichment Center. The center should remain open for 2004-05 so that students, parents, and staff can have sufficient time for transition. The district should notify parents of Southwest Enrichment Center students as soon as possible regarding closure of the facility.

Recommendation: Revise the district's staffing plan to include industry standards and staff

SWISD accordingly. Revising the district's staffing plan will reduce costs and enable the district to reallocate funds based upon established priorities. As student enrollment changes or as additional elementary campuses are opened, the district will have the flexibility to adjust the number of assistant principals, secretary/clerk positions, or any other staff needed to meet internal and industry staffing formulas and standards.

Recommendation: Reduce food service staff to conform to industry standards. SWISD should reduce labor by 70.87 hours per day to comply with the industry standard of meals per labor hour. The reduction of these hours will save the district more than \$101,000 annually.

Recommendation: Develop a comprehensive written set of manuals for conducting the operations of the district. The manuals developed by and for SWISD should be placed on the district's intranet. Each assistant superintendent should assemble all the existing policies and procedures in their functional area of responsibility and assemble a team to assist in developing the manuals. Each assistant superintendent should then review the manuals while each department head develops a plan to train all staff members, using the manuals as a training guide. Manuals should be updated annually.

Recommendation: Develop an integrated long-range strategic plan. The assistant superintendent for Business and Finance, with input from both the assistant superintendent for Curriculum, Instruction, and Assessment and the assistant superintendent for Administration and Human Resources, should ensure that all plans are integrated into a single comprehensive plan. In addition, the plan should also be integrated with the annual budgeting process and ultimately presented to the superintendent and board for approval. Developing an integrated strategic plan will allow for a unified set of goals, objectives, and strategies to carry the district forward in providing instructional and operational services for the next several years.

Recommendation: Provide campuses and departments access to financial information available in the financial system. Timely, accurate and useful financial information is critical for schools to properly manage their budgets. Providing the information online would also eliminate the need for schools to maintain a second set of books to determine if they have funds available.

SOUTHWEST ENRICHMENT CENTER

The district has not demonstrated that the Southwest Enrichment Center has been successful in preventing students from dropping out of school. There is no evidence that the Southwest Enrichment Center is accomplishing its stated goal of preventing dropouts or that it has developed a method to track students attending the center for high school completion. The Southwest Enrichment Center is housed at the district's original high school campus, where in 2003–04 it served 80 students in grades 6 through 8 who attended the program with their parents' permission. The program is adequately staffed and equipped and is well managed. Facilities include full-size classrooms, science labs, a gymnasium, and ample administrative office space.

Although the Southwest Enrichment Center is described as “a dropout intervention program” in the document *Welcome to the Southwest Enrichment Center*, the district has maintained no data to support whether the center has had a positive effect on keeping students in school. Since the center opened in 1990, no student tracking has taken place, and the district does not know if Southwest Enrichment Center students are more or less likely to graduate from high school than other students in grades 6 through 8. Further, the district's 2001–02 dropout rate of 1.4 percent continues to be among the highest in the state and data indicates that the class of 2002 exhibited a four-year dropout rate of 8.5 percent, compared to the state average of 5.0 percent.

Most services offered at the Southwest Enrichment Center are also offered at the regular campuses. The McNair Sixth Grade School, Scobee, and McAuliffe Junior High provide the same special services offered at the Southwest Enrichment Center. The regular campuses offer special education, special reading instruction, TAKS remediation, after-school programs, counseling, dyslexia services, full-time nursing services, and social work services. An advantage offered by the Southwest Enrichment Center is a lower student-to-staff ratio. However, the district did not provide any documentation to substantiate that students at the center are performing more successfully in their TAKS assessments than they did prior to their placement at the center.

The program is also more costly than other programs in the district. A review of budgeted expenditures associated with the program indicates that the costs for operating the center totaled \$1,094,429, or \$13,680 per student, for the 80 students enrolled during 2003–04. According to PEIMS, the average budgeted amount to educate a SWISD student for 2003–04 is \$6,619. Costs associated with operating the Southwest Enrichment Center by major expenditure areas are provided in **Exhibit 1-10**.

The district should therefore, close the Southwest Enrichment Center. The center should remain open for 2004–05 so that students, parents, and staff can have sufficient time for transition. The district should notify parents of Southwest Enrichment Center students as soon as possible regarding closure of the facility.

The estimated savings to the district from closing the Southwest Enrichment Center is \$846,240 based on the amount budgeted in 2003–04 for center operations of \$1,094,429 less fixed costs to maintain the building in the amount of, \$241,764 for plant maintenance and operations, \$425 for security and monitoring, and \$6,000 for facilities acquisition and construction. Because the center would remain open in 2004–05, savings are estimated not to start until 2005–06.

STAFFING STANDARDS

Although SWISD uses locally developed staffing formulas, overall plans do not address campuses with less than 600 students or comparisons to industry standards. In a meeting with district officials, the district indicated internal staffing plans were not only based on an internal plan but also on comparisons with neighboring districts like Edgewood and South San Antonio ISDs. In addition, the district's staffing plans do not include industry standards, such as those developed by the Southern Association of Colleges and Schools (SACS). SACS accredits more than 12,000 public and private educational institutions, from pre-kindergarten through university levels, in 11 states in

**EXHIBIT 1-10
SOUTHWEST ENRICHMENT CENTER
BUDGETED EXPENDITURES BY OBJECT
2003-04**

TYPE OF EXPENDITURE	AMOUNT BUDGETED FOR EXPENDITURE	PERCENT OF SOUTHWEST ENRICHMENT CENTER BUDGET FOR TYPE OF EXPENDITURE
Payroll Costs – Salary and benefits for seven teachers, principal, assistant principal, counselor, secretary, custodians, one-half time nurse, and one-half time special education teacher.	\$724,779	66.22%
Professional and Contracted Services – Rental of equipment, maintenance contracts on equipment, services from the Regional Education Service Center, and contracted maintenance and repair.	\$94,553	8.64%
Supplies and Materials – Consumable teaching materials, custodial supplies, office supplies, testing materials, furniture, and equipment valued at less than \$5,000.	\$157,571	14.40%
Other Operating Expenses – Bus travel for student field trips, and employee travel.	\$11,526	1.05%
Capital Outlay for Building – Construction and repair of facility.	\$106,000	9.69%
Total	\$1,094,429	100%

SOURCE: SWISD, Business Office, April 2004.

the southeastern United States and Latin America. Texas is one of the states in the southeastern region. SACS standards are based upon school enrollment and found in the 2003-04 Checklist of Standards for the Accreditation of Schools.

When comparing the district’s staffing allocations to SACS standards, the district is overstaffed by five assistant principals and 18.5 secretary/office clerk positions. Southwest, Sun Valley, Bob Hope, and Kreiwald Road elementary schools would not qualify for the additional 0.5 assistant principal until their enrollment reaches or exceeds 500 students. Indian Creek and Sky Harbour elementary schools would not qualify for an additional 0.5 assistant principal until their enrollment reaches or exceeds 1,000 students.

SWISD uses a staffing plan that indicates guidelines for student populations in elementary, middle, and high school, and following this plan, allocates one assistant principal (as determined by needs) and one secretary/office clerk for more than 600 students. The plans do not give any staffing patterns for schools with populations of less than 600 students. Using the district’s own staffing plans, SWISD is overstaffed by 11 assistant principal positions and nine secretary and office clerk positions as opposed to the more conservative estimates followed in SACS standards.

Exhibits 2-12, 2-13, and 2-14 present SACS accreditation standards for campus support staffing in elementary, middle, and high schools.

Exhibits 2-15 and 2-16 show the staffing of assistant principals and secretary/office clerks at SWISD schools compared to SACS and internal district standards.

While the staffing of additional assistant principal positions has benefits for both the instructional and behavioral management programs, the excess positions absorb valuable funding that can be expended in other instructional areas of the district. Moving to the recommended levels of staffing will allow appropriate assignments of duties while still meeting student and staff needs.

Many districts use industry standards to equitably distribute staff. In this way, districts staff accordingly and as student enrollments change, the district can adjust its staffing needs. In the case of SWISD, the district has had a fairly flat enrollment, with only a 1.8 percent increase over a five-year history. The district’s spike in enrollment figures in 2001-02 may have been the result of the district adding a pre-kindergarten program to three elementary schools.

The district should revise its staffing plan to include industry standards and staff SWISD accordingly.

EXHIBIT 2-12
SACS ACCREDITATION STANDARDS FOR
CAMPUS NON-TEACHING STAFF
ELEMENTARY SCHOOLS
2002-03

ENROLLMENT	PRINCIPAL	ASSISTANT PRINCIPAL	SECRETARIES AND CLERKS
1-249	1.0	0.0	0.5
250-499	1.0	0.5	1.0
500-749	1.0	1.0	1.5
750-999	1.0	1.0	1.5
1000-1249	1.0	1.5	2.0
1250-1499	1.0	2.0	2.0
1500-up	1.0	2.0	2.0

SOURCE: Southern Association of Colleges and Schools Elementary Schools Accreditation Standards, 2002-03.

EXHIBIT 2-13
SACS ACCREDITATION STANDARDS FOR CAMPUS NON-TEACHING STAFF
MIDDLE SCHOOLS
2002-03

ENROLLMENT	PRINCIPAL	ASSISTANT PRINCIPAL	SECRETARIES AND CLERKS
1-249	1.0	0.0	0.5
250-499	1.0	0.5	1.0
500-749	1.0	1.0	1.5
750-999	1.0	1.0	1.5
1,000-1,249	1.0	1.5	2.0
1,250-1,499	1.0	2.0	2.0
1,500-up	1.0*	2.0*	2.0

SOURCE: Southern Association of Colleges and Schools Middle Schools Accreditation Standards, 2002-03.

* Plus one FTE where needed for each 250 students over 1500.

EXHIBIT 2-14
SACS ACCREDITATION STANDARDS FOR CAMPUS NON-TEACHING STAFF
HIGH SCHOOLS
2002-03

ENROLLMENT	PRINCIPAL	ASSISTANT PRINCIPAL	SECRETARIES AND CLERKS
1-249	1.0	0.0	1.0
250-499	1.0	0.5	2.0
500-749	1.0	1.0	3.0
750-999	1.0	1.5	3.5
1,000-1,249	1.0	2.0	4.0
1,250-1,499	1.0	2.5	4.5
1,500-up	1.0*	2.5*	4.5

SOURCE: Southern Association of Colleges and Schools High School Accreditation Standards, 2002-03.

* Plus one FTE where needed for each 250 students over 1500.

Using industry standards like SACS can provide the district a more conservative plan to staff accordingly and reduce costs, enabling the district to reallocate funds based upon established priorities.

Using industry-staffing standards, the district can eliminate five assistant principal and 18.5 secretary/office clerk positions. Assistant principal

(AP) positions are already contracted for 2004-05, so the savings will not begin for those positions until 2005-06. Savings for eliminating five assistant principal positions are estimated at \$285,690 annually (five assistant principals (APs) at an average salary of \$52,860 + \$4,278 benefits = \$57,138 X 5 APs = \$285,690).

**EXHIBIT 2-15
SWISD SCHOOLS COMPARED TO INTERNAL STANDARDS & SACS STANDARDS FOR ASSISTANT PRINCIPALS**

CAMPUS	STUDENTS	SWISD ASSISTANT PRINCIPALS	SACS	(EXCESS) SHORT	ACCORDING TO DISTRICT STANDARDS OF 600+ ENROLLMENT	(EXCESS) SHORT
SWHS	2,586	5	6.8	1.8	5	0
McAuliffe	710	2	1.0	(1.0)	1	(1.0)
Scobee	781	2	1.0	(1.0)	1	(1.0)
McNair	775	2	1.0	(1.0)	1	(1.0)
Southwest	450	1	0.5	(0.5)	0	(1.0)
Sun Valley	398	1	0.5	(0.5)	0	(1.0)
Indian Creek	768	2	1.0	(1.0)	1	(1.0)
Bob Hope	346	1	0.5	(0.5)	0	(1.0)
Sky Harbour	730	2	1.0	(1.0)	1	(1.0)
Hidden Cove	613	1	1.0	0.0	1	0
Big Country	510	1	1.0	0.0	0	(1.0)
Elm Creek	585	1	1.0	0.0	0	(1.0)
Kriewald Road	428	1	0.5	(0.5)	0	(1.0)
Total Positions		22	16.8	(5.2)	11	(11.0)

SOURCE: SWISD Position Control; 2003-04 Southern Association of Colleges and Schools Checklist for the Accreditation of Schools.

**EXHIBIT 2-16
SWISD SCHOOLS COMPARED TO INTERNAL STANDARDS & SACS STANDARDS FOR SECRETARIES & OFFICE CLERKS**

CAMPUS	STUDENTS	SWISD SECRETARIES & OFFICE CLERKS	SACS	(EXCESS) SHORT	ACCORDING TO DISTRICT STANDARDS OF 600+ ENROLLMENT	(EXCESS) SHORT
SWHS	2,586	8	4.5	(3.5)	6	(2.0)
McAuliffe	710	4	1.5	(2.5)	2	(2.0)
Scobee	781	4	1.5	(2.5)	2	(2.0)
McNair Sixth Grade School	775	3	1.5	(1.5)	2	(1.0)
Southwest	450	2	1.0	(1.0)	2	0
Sun Valley	398	2	1.0	(1.0)	2	0
Indian Creek	768	3	1.5	(1.5)	2	(1.0)
Bob Hope	346	2	1.0	(1.0)	2	0
Sky Harbour	730	3	1.5	(1.5)	2	(1.0)
Hidden Cove	613	2	1.5	(0.5)	2	0
Big Country	510	2	1.5	(0.5)	2	0
Elm Creek	585	2	1.5	(0.5)	2	0
Kriewald Road	428	2	1.0	(1.0)	2	0
Total Positions		39	20.5	(18.5)	30	(9.0)

SOURCE: SWISD Position Control; 2003-04 Southern Association of Colleges and Schools, Checklist for the Accreditation of Schools.

Savings for eliminating 18.5 classified staff, which includes secretary/clerks, is estimated to be \$496,022 annually.

Positions using an average of Pay Grade Type II at SWISD, consisting of office clerks/ secretary positions at \$23,556 + \$3,256 benefits = \$26,812 X 18.5 clerk/secretary positions = \$496,022.

Anticipating the need for planning, the structure can go into effect in January 2005, therefore, costs for the first year will total \$330,681 rounded to the nearest whole dollar.

The computation for this amount is based on \$496,022 divided by 12 months and multiplied by eight months to derive at two-thirds implementation of the recommendation or 8/12.

Savings for 2005–06 through 2008–09 will be \$496,022 Clerks/Secretary + \$285,690 APs= \$781,712.

CHILD NUTRITION DEPARTMENT STAFFING

The Child Nutrition department staffing levels are not monitored or controlled based on Meals per Labor Hour (MPLH) or other staffing standards. School districts use MPLH analysis to determine and measure food service productivity and assign labor hours to their kitchens.

MPLH is the number of meal equivalents served in a given period divided by the total hours worked during that period.

Meal equivalents are reimbursable lunches, a la carte sales converted to meal equivalents, and breakfast average daily participation adjusted for the degree of complexity in preparation and the labor needed.

Based on the calculation of meals per labor hour standards versus the actual meals served per hour provided by the school district indicated that the district is overstaffed by 70.87 hours.

A variety of benchmarks are used to determine the

MPLH. Some factors that are taken into consideration are the type of production that is used, if all meals are produced and consumed on site, the schedules determined for serving periods, and if cleaning the dining room and floors is a food service job duty or a duty of the school custodial staff. Industry standards are stated in terms of the number of meal equivalents that a worker should produce per labor hour based on national averages.

Exhibit 6-9 shows the conversion rate for SWISD meal equivalents for 2003–03.

Exhibit 6-10 shows the industry standard staffing guidelines for on-site (conventional) meal production.

The conventional system for preparing meals consists of preparing food on-site from scratch with raw vegetables and other ingredients and it includes washing dishes.

The convenience system of meals consists of using processed foods, for example pizza, when possible and disposable trays and utensils.

SWISD’s meals per labor hour comparison for October 2003 in **Exhibit 6-11** is a comparison of the meal equivalents and total hours worked in SWISD cafeterias to the industry standard. The industry standard selected was the most conservative, which means it is the lowest number in the conventional system indicating food that required extensive preparation.

The hours below the standard is the extent to which SWISD cafeterias are overstaffed.

SWISD expends 70.87 more hours per day on food service than industry standards.

**EXHIBIT 6-9
CONVERSION RATE FOR SWISD MEAL EQUIVALENTS
2003–04**

CATEGORY	CONVERSION RATE
Student Lunch	One lunch equals one equivalent
Adult Lunch	One lunch equals one equivalent
Student and Adult Breakfasts	Two breakfasts equal one equivalent
A la Carte Sales	Sales divided by \$3.00*

SOURCE: Child nutrition Service Coordinator, April 2004.

*When the purchase of individual items total \$3.00 this equals one lunch.

**EXHIBIT 6-10
INDUSTRY STANDARDS FOR MEALS PER LABOR HOUR**

NUMBER OF MEALS EQUIVALENTS	MEALS PER LABOR HOUR (MPLH)			
	CONVENTIONAL SYSTEM		CONVENIENCE SYSTEM	
100-150	9	11	11	13
151-200	10-11	12	12	14
201-250	12	14	14	15
251-300	13	15	15	16
301-400	14	16	16	18
401-500	14	17	18	19
501-600	15	17	18	19
601-700	16	18	19	20
701-800	17	19	20	22
801-900	18	20	21	23
901+	19	21	22	23

SOURCE: "Managing Child Nutrition Programs," Josephine M. Martus and Martha T. Conklin, 1998.

**EXHIBIT 6-11
SWISD DAILY MEALS PER LABOR HOUR COMPARISON
OCTOBER 2003**

SCHOOLS	TOTAL MEAL EQUIVALENTS SERVED DAILY	TOTAL HOURS WORKED	SWISD MPLH	INDUSTRY MPLH STANDARD	HOURS ABOVE (BELOW) STANDARD
Southwest High School	2440	157.0	15.54	19	(28.59)
McNair 6 th Grade	868	44.0	19.73	18	4.22
McAuliffe Junior High	683	49.0	13.93	16	(6.31)
Scobee Junior High	750	49.0	15.30	17	(4.89)
Southwest Elementary	661	44.0	15.02	16	(2.69)
Sun Valley Elementary	472	37.0	12.76	14	(3.29)
Indian Creek Elementary	922	51.0	18.08	19	(2.47)
Bob Hope Elementary	424	37.0	11.46	14	(6.71)
Sky Harbor Elementary	786	44.5	17.66	17	1.74
Hidden Cove Elementary	655	44.0	14.88	16	(3.06)
Big Country Elementary	555	44.0	12.62	15	(7.00)
Elm Creek Elementary	612	44.0	13.91	16	(5.75)
Kriewald Road Elementary	433	37.0	11.71	14	(6.07)
District Totals	10,261	681.5			(70.87)

SOURCE: SWISD Child Nutrition Program Monthly Records 2003-04; Cost Control Manual for School Food Services (July 2000 Edition).

According to the Child Nutrition coordinator, the majority of the overstaffing occurs at the high school. The high school overstaffing is due to numerous serving lines at the high school that are in place to reduce the time waiting in line. The district remodeled the high school cafeteria so that there are a total of nine serving lines. This increased participation at the high school since students do not have to wait in line for a long period but also increased labor hours. SWISD does not adhere to using an industry standard across the board in producing meals per labor hour and is consequently overstaffed in employee hours at 11 of the 13 cafeterias.

SWISD should reduce labor by 70.87 hours per day in order to be in line with the industry standard of meals per labor hour. Based on an hourly wage for food service workers of \$7.79 per hour and a standard 180-day year of instruction, implementing industry standards would compute to a total of \$99,374 in salaries. Fringe benefits are calculated to be .0193782 of this total or \$1,926. Rounded to the nearest dollar, a total of \$101,300 in salaries and fringe benefits can be realized by conforming to MPLH industry standards.

The computation is being based on days of instruction instead of employee contract days because the days of classroom instruction would involve days food is being prepared and served to students in attendance and when the MPLH standard would apply. Anticipating the need for planning, the structure can go into effect in January 2005 therefore costs for the first year will total \$67,533 rounded to the nearest whole dollar. The computation for this dollar based on \$101,300 divided by 12 months and multiplied by eight months to derive a two-third's implementation of the recommendation or 8/12.

COMPREHENSIVE POLICIES AND PROCEDURES

Not all divisions in the district have comprehensive sets of manuals for conducting the operations of the district. As seen in **Exhibit 2-7**, the Human Resources department, Accounting department, purchasing area, and Technology Support and Data Management department have either no policies or incomplete policies and procedures manuals. The Curriculum, Instruction, and Assessment Department has a manual; however, the one weakness is the lack of a consistent format for each sub-heading.

**EXHIBIT 2-7
SWISD POLICIES AND PROCEDURES REVIEW
2003-04**

FUNCTIONAL AREAS	FINDING
Curriculum, Instruction and Assessment Department	Curriculum, Instruction and Assessment policy and procedural guidelines have been an on going document development since 2002. A weakness is the lack of consistent format for each of the subheadings.
Human Resources Department	The HR department does not have a detailed Personnel Practices Manual. One-page summaries of certain job duties have been compiled. These summaries do not provide enough specific details for a new staff member to perform the duty without assistance from an experienced member of the department.
Accounting Department	SWISD does not have comprehensive accounting procedure manuals.
Purchasing area	SWISD does not have a comprehensive policy and procedures manual. Currently the district follows District Policy CH (Legal) for purchasing guidelines. However, there is no purchasing procedures manual. Training for staff is done on an as needed basis.
Technology Support and Data Management Department	There are minimal departmental policies and procedures for operating the IT component of the district. This approach requires each staff to learn by trial and error instead of being led by the collective knowledge of the department staff.

SOURCE: SWISD departmental interviews, April 2004.

When staff members leave a district for personal reasons or retire before manuals are prepared, valuable information can be lost and other staff members are left to recreate the processes. Various departments often rely on the memory of long-time members to provide information that would normally be contained in manuals.

Effective procedures manuals provide the basis for training new employees, detail day-to-day processes, stipulate how board policy is to be implemented, provide for clear communication among school administrators and staff; and are updated at least annually.

The use of a procedure manual also helps ensure cost effectiveness of conducting district business in a uniform and consistent manner, provides an excellent training guide for new employees, and works as a reference tool for all employees. School districts have found that fully documented procedures serve as vital tools for improving consistency and maintaining the stability of district operations.

SWISD should develop a comprehensive written set of manuals for conducting the operations of the district. The manuals developed by and for SWISD should be placed on the district's Intranet. Each assistant superintendent should assemble all the existing policies and procedures in their functional area of responsibility and assemble a team to assist in developing the manuals. Each assistant superintendent should then review the manuals while each department head develops a plan to train all staff members, using the manuals as a training guide. Manuals should be updated annually.

LONG RANGE PLANNING

SWISD's planning process is not integrated. Most district plans are created separately and do not maintain a cohesive set of goals and objectives. The superintendent has overall responsibility for planning within the district. The superintendent has included the assistant superintendents in the process, as presented below:

- The assistant superintendent for Business and Finance has the responsibility for the development and maintenance of the annual budget and has a central role on the superintendent's team in school district planning and analysis of current programs, support systems, and expenditures.
- The assistant superintendent for Curriculum Instruction and Assessment participates in the district-level decision making process to establish and review the districts goals and objectives.
- The assistant superintendent for Administration and Human Resources provides administrative support to the instructional process in a way that ensures service while including fiscal responsibilities and long-range planning.

The assistant superintendent for Business and Finance has a central role in the planning process. However, planning within the district is done independently and presented in separate reported plans. The plans reviewed by the school review team included the Campus Improvement Plans (CIPs), District Improvement Plan (DIP), SWISD Technology Plan, Facility Plan, Investment Plan, and the annual budget.

The CIPs are developed for each school in the district by the principal and the campus improvement plan committee. This plan covers all educational and financial aspects of the school. The DIP is a

combination of instructional input from the CIPs, senior management of the district, and facility departmental managers. CIP's are used in the budget process to allocate money according to needs of the individual campuses.

The director of Technology Support and Data Management and a committee of district employees prepare the SWISD Technology Plan. This plan covers all aspects of technology in the district, including business and education planning for a period of four years. The SWISD Technology Plan lacks of annual budget planning information. It does not include a detailed coordinated effort with the Facility Plan or the district's annual budget for technology upgrades.

The Facility Plan relates to the upgrade and building of facilities in the district. A major component of the Facility Plan is the continual review of new residential and apartment building plans in the district. The Facility Plan not only addresses new school construction but also plans for school site purchases, installation of infrastructure, asbestos abatement, roofing, parking lots, demolishing unneeded buildings, painting, additions to buildings and grounds, and renovations of interiors and exteriors. The plan is not attached to budget projections. And student projections have differing projections depending if you are looking at the PEIMS projection numbers or a growth chart prepared by the Facilities director.

The annual budget is the culmination of planning in the district to determine anticipated expenditures and funds for the following. The district employs a vendor to assist with projections of state aid and local revenue based on several scenarios related to growth of taxable value, tax collection rate, and the State Comptroller's appraisal ratio. They also assist with computations and analyses related to setting the district's annual tax rate. The district contracts with Southwest Securities for the issuance of debt, including the authorization, issuance, sale, and delivery of the district's debt instruments. The district also contracts with a vendor for assistance with arbitrage calculations. In addition, another vendor provides representation for the district in negotiations regarding Chapter 313 Property Tax Code, economic development abatement. They also provide analysis of the impact of alternative abatement and benefit mechanisms and other assistance regarding public school finance issues, as may be requested by the district.

According to section 2.11.1.1 of the TEA Financial Accountability System Resource Guide (FASRG), school districts must know how many students will be enrolled before they can do any meaningful planning. Enrollment projections drive many of the revenue and expenditure components of both annual operating and multi-year program and construction budgets. At the

most basic level, enrollment projections determine the number of buildings and classrooms that a district needs. Furthermore, the numbers of faculty needed are based upon the number of students enrolled. Beyond these basic purposes, however, enrollment projections also determine the functions of a district's educational program. The types of individuals that comprise the student population are important in planning educational programs that meet the unique needs.

The projection of student enrollments is important for both the next fiscal year and several subsequent fiscal years because time frames for educational programs and capital building/consolidation programs may be a year or more.

Currently, a major planning issue is the impact of the new Toyota plant that is already under construction.

Interviews with various departments throughout this review resulted in two distinct convictions: one group believes that the district is not going to grow, and the other group believes that the district is going to see tremendous growth. In interviews with the superintendent, he stated that the district was going to see very little growth in the next three to four years with the Toyota plant. He also stated that the district was only growing by less than 100 students per year. In contrast, the facility plan summarized that "the district is continuing to see development outside Loop 410 along Highway 16, inside Loop 410 and Pearsall Road, and around Loop 410 and Ray Ellison and Medina Base." The district's facility plan also mentioned "the proposed housing projects in these areas could possibly add thousands of homes to the district within the next five to 10 years."

One methodology obtained from discussions with the Facilities and Transportation Department heads was based on a modified geo-referenced student enrollment projection. By meeting with contractors and other developers in the area and inputting their information into the transportation route scheduling software, student enrollment projections for the district can be forecasted. Their methodology is based on factors used to derive the number of students as follows: 0.41 per mobile home, 0.92 per single home, and 0.33 per apartment.

Another projection methodology that the review team obtained was a student enrollment projection up to the year 2009 from the assistant superintendent for Administration and Human Resources. This projection was based on PEIMS historical data. An examination of three years, 2003, 2004, and 2005, showed student populations at 9,684 (the 2003-04 student enrollment), 9,727, and 10,117, respectively; however, these changes in population were not supported with any

methodology, and the district explained that it was based only on historical student enrollment data.

The assistant superintendent for Business and Finance commented that student enrollment projections are based on historical trends and personal knowledge.

The various methods used by the district to project student enrollment are not combined into one consistent enrollment projection that is sufficiently communicated to all departments.

Enrollment projections are an important component of projects such as the forthcoming Toyota project.

Exhibit 2-8 indicates total taxable property amount to be abated is \$394 million over an eight-year period. Using the current tax rate of \$1.50 per \$100 assessed evaluation, the value of the abatement to Toyota is \$59,160,000. The board must include assessment of the impact on the district in many ways, such as potential new students, possible new schools being needed, additional bond money for construction, and many other issues currently not seen.

As shown in **Exhibit 2-8**, translation of the substantial completion dates to values for tax rolls has been submitted to the school district as follows:

- Estimated investment for 2006 is \$25 million
- Estimated investment for 2007 is \$438 million
- Estimated investment for 2008 through 2014 is \$10 million each year
- Estimated investment for 2015 and after \$503 million

All of the data provided by each plan and the forecasted impact of upcoming industries indicate that

the district needs a consolidated long-range strategic plan that is supported by approved methodologies and research-based dynamic decision making models to adequately planning for the future.

Exhibit 2-9 displays the components for an effective strategic plan.

Many districts use a comprehensive strategic planning process to establish a clear direction for the district, build support for and concentrate resources on district priorities, assist the district in accomplishing its objectives, and provide valid information for decision-making. The plan is a result of a collaborative effort involving input from teachers, administrators, parents, students, and community members.

Long-term planning is critical to effective management. Planning enables a district to efficiently define goals and objectives, establish priorities, select appropriate implementation strategies, determine critical measures of performance in achieving the goals and objectives, and ensure that the district has the needed funds to support its goals.

Effective strategic planning includes direction and focus from the school board and a steering committee in setting priorities or major goals, broad-based and diverse committees set up to address established priorities and develop activity plans addressing each priority; activity plans that contain measurable goals, dates, and assignments of responsibility for implementation, two-way communication between the governing body and the committees during the plan development period, decisive governance that uses the recommendations of the committees to the greatest degree possible when approving the final plan,

**EXHIBIT 2-8
CHANGE IN GENERAL FUND REVENUE WITH TOYOTA FACILITY
AND CHAPTER 313 ABATEMENT
(AMOUNTS IN MILLIONS)**

YEAR ENDING	TOTAL	LOCAL	STATE	ESTIMATED INVESTMENT	ABATEMENT	NET VALUE
2006	\$0.42	\$0.37	\$0.05	\$25.00	\$0.00	\$25.00
2007	\$6.27	\$6.59	(\$0.32)	\$438.00	\$0.00	\$438.00
2008	\$18.32	\$0.15	(\$0.15)	\$503.00	\$493.00	\$10.00
2009	\$0.00	\$0.15	(\$0.15)	\$503.00	\$503.00	\$10.00
2010	\$0.00	\$0.15	(\$0.15)	\$503.00	\$493.00	\$10.00
2011	\$0.00	\$0.15	(\$0.15)	\$503.00	\$493.00	\$10.00
2012	\$0.00	\$0.15	(\$0.15)	\$503.00	\$493.00	\$10.00
2013	\$0.00	\$0.15	(\$0.15)	\$503.00	\$493.00	\$10.00
2014	\$0.00	\$0.15	(\$0.15)	\$503.00	\$493.00	\$10.00
2015	\$2.44	\$2.59	(\$0.15)	\$503.00	\$493.00	\$503.00

SOURCE: Moak, Casey & Associates, LLP, April 2004.

**EXHIBIT 2-9
COMPONENTS OF A STRATEGIC PLAN**

Shared vision and values Purpose/Mission statement External data collection and analysis Internal data collection/analysis External factors Key Stakeholders Competing factors	Critical issues Threats/opportunities Student outcomes District goals Best ideas/innovations Operational plans/objectives Annual review and update
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SOURCE: Texas Association of School Boards.

performance-based annual activity plan monitoring and adjustment, and budgets requiring expenditures tied directly to overall district goals and priorities.

Strategic planning enables school districts to define goals and objectives, establish priorities, and determine specific implementation strategies. The process begins as a school district assesses its strengths and weaknesses in instruction and support. From broad goals, specific strategies can be developed.

Bastrop ISD (BISD) developed a strategic planning process that provides direction and focus and helped the district achieve its mission of improving student academic performance. BISD adopted six long-range goals to form the basis for developing the district's strategic plan objectives and implementation strategies. The process began in 1995 when the strategic planning committee adopted the goals for district performance in conjunction with the district improvement plans. Other goals of the district call for student mastery and a steady progression in the curriculum for preparing students to enter the workforce or post-secondary education; recruitment, training and retention of qualified and effective personnel; effective and efficient use of resources; and providing opportunities to citizens for life-long learning.

SWISD should develop an integrated long-range strategic plan. The assistant superintendent for Business and Finance, with input from both the assistant superintendent for Curriculum, Instruction, and Assessment and the assistant superintendent for Administration and Human Resources, should ensure that all plans are integrated into a single comprehensive plan. In addition, the plan should be integrated with the annual budgeting process and ultimately be presented to the superintendent and board for approval. Developing an integrated strategic plan will allow for a unified set of goals, objectives, and strategies to carry the district forward in providing instructional and operational services for the next several years.

FINANCIAL DATA ACCESS

Campus and department staff do not have access to their financial data and are unable to get current budget and expenditure information from the district's accounting information system. Campus and departmental access has been granted to the system

modules for processing attendance and statistical data. However the campuses and departments are responsible for numerous financial requests, reports and maintenance of their expenditure activity. The campuses and departments perform these responsibilities manually, using spreadsheets and software packages maintained on site, because they do not have access to the financial data. The financial requests and reports are then forwarded to Central office.

Currently, financial data is delivered from Central office to the campuses and departments in printed format only even though the district's accounting information system allows for access at the end user level. Under the current system, the campus does not know their current account balances based on the monthly financial report from Central office. The report arrives in the middle part of the following month. If a transaction occurred on the first day of the month, the subsequent balance information would be 45 days old when the report was delivered to the campus.

As a result of the delayed report information, each campus has developed their own method of maintaining account fund balances on their computers. The campuses use several commercial products, including Microsoft Excel, Quickbooks, and Quicken. Central office does not have direct access to these products nor do they exercise control over the accounting process at the campus.

Currently, when the campus has to prepare their school year budget, information is delivered from Central office in a budget package even though the district's information system allows access at the end user level. Therefore, instead of the campuses and departments looking up the status of revenues, expenditures and budget to actual information on the accounting information system in order to prepare their annual budgets, the use their own set of books to assist in preparing the annual budgets.

At SWISD, purchases are made at the campus or department level. When purchases occur, those expenditures are properly charged to the campus or department and entered into the computer at Central office. Each campus and department receives a printed monthly financial report in the middle of the following

month. Again, timing differences between purchase and subsequent notification can be as long as 45 days. To best manage their purchases and expenditures, the campuses and departments use the commercial products previously referenced.

The campuses and departments already have existing data terminals that are connected to the district's information system for other functions such as reporting attendance and statistical data. Access to financial information is available through the existing data terminals however it has not been granted by the Business Office. Campuses and departments do not have the ability to view the current financial information, input requested financial information or monitor activity of financial information necessary for their operations. Interviews with SWISD campus staff indicate that access would greatly assist them in managing operations.

SWISD should provide campuses and departments access to financial information available in the financial system. Timely, accurate and useful financial information is critical for schools to properly manage their budgets. Providing the information online would also eliminate the need for schools to maintain a second set of books to determine if they have funds available. This recommendation can be implemented quickly and efficiently since each campus or department has an existing data terminal that is connected to the district computer for other functions. The Business Manager can conduct in-house training.

GENERAL INFORMATION

- Southwest ISD is located in the southwest quadrant of Bexar County where the new Toyota plant is scheduled to open in 2006. The district encompasses 115 square miles, situated approximately 10 miles from Lackland Air Force Base, with 50 percent of the district's population being rural.
- The district's growth rate through 2004 has remained fairly flat with only a 1.8 percent increase over the last five years.
- Southwest ISD is a majority minority district with a large population of economically disadvantaged students (79.1 percent).
- In 2003–04, of the 1,287 full-time equivalents staff, 643 are teachers.
- The district has negotiated with the Toyota plant for a tax abatement. Toyota's plant is valued at \$503 million, while its projected value is \$10 million for tax purposes.
- The Texas Education Agency (TEA) has rated the district Academically Acceptable since 2001–02.

- In spring 2004 and as a requirement for promotion to fourth grade, 88 percent of the district's third graders met TEA's passing criteria for the reading portion of the Texas Assessment of Knowledge and Skills (TAKS) in English compared to 95 percent for the state and 94 percent for Region 20.
- While TEA has not released the overall percentage of student that met the 2003–04 passing criteria for all subjects and grade-levels tested, 49.1 percent of SWISD students are projected to meet these standards based upon 2002–03 actual scores as compared to 57.4 percent for the state and 54.7 percent for Region 20. New spring 2004 scores indicate the district shows steady progress with some academic pockets of need such as in the area of mathematics grades 6–8 and in reading grade 7. In grade 10 the district still continues to lag 10 percentage points in the area of math and 14 percentage points in science.
- The district has been in a period of construction, rebuilding four elementary schools and remodeling others. In 1999 and 2001 the community approved bonds totaling \$30 million and \$27 million respectively. The district was granted \$8 million in Qualified Zone Academy Bonds (QZAB) by TEA in 2003.
- Senator Frank Madla and Representative Ken Mercer represent SWISD.

SCHOOLS

- Nine elementary schools
- One sixth grade center
- Two junior high schools
- One high school

ALTERNATIVE EDUCATION PROGRAMS

- Southwest Enrichment Center, a dropout prevention program, accommodates 80 students grades 6 through 8.
- The Discipline Alternative Education Program (DAEP) housed in two portable buildings in the administrative complex accommodates from 60–110 students grades 6–12 throughout the year.

2003–04 STUDENT DATA

- 9,654 students enrolled
- 9.3 percent White
- 86.6 percent Hispanic
- 3.6 percent African American
- 0.4 percent Asian/Pacific Islander

- 0.1 percent Native American
 - 79.1 percent economically disadvantaged
- 2003–04 FINANCIAL DATA**
- Total budgeted expenditures: \$72.2 million.
 - Fund balance: 18 percent or \$13.5 million of 2002–03 total budgeted expenditures (Undesignated component).
 - Total effective tax rate (2003): \$1.67 (\$1.50 Maintenance and Operations and \$0.17 Interest and Sinking).

2003–04 PERCENT SPENT ON INSTRUCTION

Out of total budgeted expenditures of \$72.2 million, SWISD spent 48.3 percent on instruction, which is below the state average of 50.4 percent. Looking at operating expenditures only (excluding debt service and bond repayment) SWISD spent 54 percent on instruction, which is below the state average of 56.6 percent.

The table below summarizes the fiscal implications of all 45 recommendations contained in the report.

FISCAL IMPACT

	<i>2004–05</i>	<i>2005–06</i>	<i>2006–07</i>	<i>2007–08</i>	<i>2008–09</i>	<i>TOTAL 5-YEAR (COSTS) OR SAVINGS</i>	<i>ONE TIME (COSTS) OR SAVINGS</i>
Gross Savings	\$501,573	\$1,851,665	\$1,851,665	\$1,851,665	\$1,851,665	\$7,908,233	\$0
Gross Costs	(\$529,298)	(\$746,556)	(\$848,440)	(\$931,398)	(\$972,877)	(\$4,028,569)	(\$69,800)
Total	(\$27,725)	\$1,105,109	\$1,003,225	\$920,267	\$878,788	\$3,879,664	(\$69,800)